

NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 36635 Date filed: 08/10/2012 09:40 AM
 State Admin Rule Filing Key: 153109
 Utah Admin. Code ref. (R no.): R 590 - 167 -
 Changed to Admin. Code ref. (R no.): --

Title

2. Title of rule or section (catchline):
 Individual, Small Employer, and Group Health Benefit Plan Rule.

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:

This rule is being updated as a result of legislative changes in HB2003, Insurance Amendments, passed in 2011 and HB144, Health System Reform Amendments, passed in 2012. Other changes are being made to clarify rate filing procedures, and limit carriers from requesting future trend increases less often than once every 12 months, which will help keep the consumer's premiums rates more

closely related to current medical trend.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

6. Summary of the rule or change:

The changes being submitted: Require insurers to submit their rate method changes separate from their rate manual updates which is a rating method change; Update the reference 31A-30-106.1(9) to (13) as a result of HB2003; Added an allowance for gender rating in Medicare coordination, and wellness programs as a result of legislative changes in HB2003 and HB 144; Revised age band ratio for 5:1 to reference 31A-30-106.1(8) as a result of HB 2003; Limit health trend increases in a rate manual filing to a maximum period of 12 months; Require insurers to submit additional documentation when submitting a rate manual filing including a list of affiliated insurers, class of business definition with approval dates and filing number and additional information required for a effective rate review as required by the federal government; Adds a requirement that specific items included in a rate manual filing are considered a public record; and eliminate the Enforcement Date section since no waiting period will be required before the changes to this rule will be enforced.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: Yes

It should be noted that there are 40 insurers that sell health benefit plans in Utah. Additional filing fees could result for insurers as a result of the changes in this rule. However, all of them will go to SERFF, a national organization that handle insurance rate filings. All filings are electronic and designated employees in the department will review the additional filings once they are filtered through SERFF. The additional work load will not require additional help or employees.

B) Local government:

Affected: No

This will not affect local governments since it deals solely with the relationship between the department and their licensees.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

This rule only impacts insurance companies. It will have no impact, fiscal or otherwise on small employers.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Forty insurers sell health benefit plans in Utah. They are the ones this rule is focused on. Insurers who previously filed their rating method changes and rate manual updates as one filing will now be required to file them separately, which will cost them an additional \$15. Also, health benefit plan insurers will be required to file their Limited Trend Increases for a maximum period of 12 months for

a maximum fee of \$15, depending on their filing volume. Insurers who filed them for a longer period of time, say 5 years for \$15 will be required to file at least annually for \$15 each year. These filings are done electronically.

Compliance Cost Information

8. Compliance costs for affected persons:

Forty insurers sell health benefit plans in Utah. They are the ones this rule is focused on. Insurers who previously filed their rating method changes and rate manual updates as one filing will now be required to file them separately, which will cost them an additional \$15. Also, health benefit plan insurers will be required to file their Limited Trend Increases for a maximum period of 12 months for a maximum fee of \$15, depending on their filing volume. Insurers who filed them for a longer period of time, say 5 years for \$15 will be required to file at least annually for \$15 each year. These filings are done electronically.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

The changes to this rule will have a minimal impact on health insurers that sell health benefit plans.

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, insurance commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-30-106.1(10)

31A-2-201(3)(a)

31A-30-106(1)(k)

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

10/01/2012

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

10/08/2012

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- health insurance

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Jilene Whitby
Information Specialist

Date (mm/dd/yyyy): 08/10/2012